
Proposal A

ECP members support Proposal A to continue to set participant IRCR based on contribution to load in high demand intervals.

It is a participant's demand in these high system demand intervals that drives the need for more reserve capacity and so Proposal A is consistent with the causer pays principle. It provides participants with the incentive to reduce their demand during those intervals and so should reduce the amount of capacity required in future, and capacity costs, if participants respond to this incentive.

Proposal A is also based on the current practice and so implementation costs should be minimal.

Proposal B

ECP members support Proposal B to retain the current approach of using only intervals in the Hot Season to set IRCR, but amend the IRCR interval selection provisions.

It is an improvement on the current interval selection method and will more consistently select the intervals with the highest system demands. This will more appropriately allocate reserve capacity costs to participants based on their demand during these intervals that drive the need for more reserve capacity.

The additional flexibility around the interval selection process is appropriate given the increasingly volatile weather we are experiencing due to climate change.

We note the discussion in the paper about the potential in the future for extreme demand events to occur in the winter - a prospect that should be explored given the need for heating and transport loads that are currently fossil fuel-based to be electrified and for the system to cater for load growth. ECP members therefore support this issue being explored in detail as part of the Coordinator's review of WEM effectiveness, to ensure that IRCR settings support electrification.

Proposal C

ECP members support Proposal C to remove temperature dependent and non-dependent load (TDL/NTDL) multipliers from the IRCR process. The current settings dull the incentives for NTDL - which typically have a flatter load profile and the potential to be managed flexibility - to participate in demand response programs.

As the paper notes, the removal of these settings will also simplify the administrative load for AEMO and participants, which should ultimately benefit consumers by reducing the costs.

Proposal D

ECP members do not have specific feedback on this proposal to amend the way IRCR is calculated for new loads, although the proposed approach appears reasonable.

numbers of hours in a year before their participation becomes uneconomic or unacceptable to the provider. It is not a case of “one size fits all”.

Some facilities may only be able to be available for 50, or 100 or 150 hours in a year, for example, and so these facilities will not make themselves available if the rigid 200-hour requirement is in place.

The SWIS load-duration curve for a 10% Po

future should highlight if there are opportunities to streamline the testing further, or indicate whether any other tests are required.

Testing flexible characteristics by observation appears to be a pragmatic approach. Scheduling flexible capacity tests at the same time as peak capacity tests would seem to be a more efficient way to do them for the provider and AEMO.

Proposal L

ECP members support Proposal L and agree with the proposed changes to Reserve C1H

feedback on this proposal from peak and flexible capacity providers with market insights about

other opportunities for consumers to assist - even voluntarily, given the right messaging - to help keep costs down.

The ECP would be pleased to discuss the submission further if required, and will continue to engage in the process as it progresses.

Kind regards

Expert Consumer Panel